

ASX Announcement

18 June 2018

MAIDEN DRILLING PROGRAM COMMENCES IN BURKINA FASO

Highlights:

- Maiden drilling program underway at the Tangora Project in Burkina Faso
 - Program to comprise 1,000m of reverse circulation drilling in 10 x 100m deep holes
 - Drilling to test the two largest artisanal gold mining sites for high-grade gold mineralisation
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Mako geologists with drillers at Tangora Project, Burkina Faso

Mako Gold Limited (“Mako” or “the Company”; ASX:MKG) is pleased to advise that it has commenced the maiden drilling program on the Company’s 183.8km² Tangora Project in Burkina Faso (Figure 1).

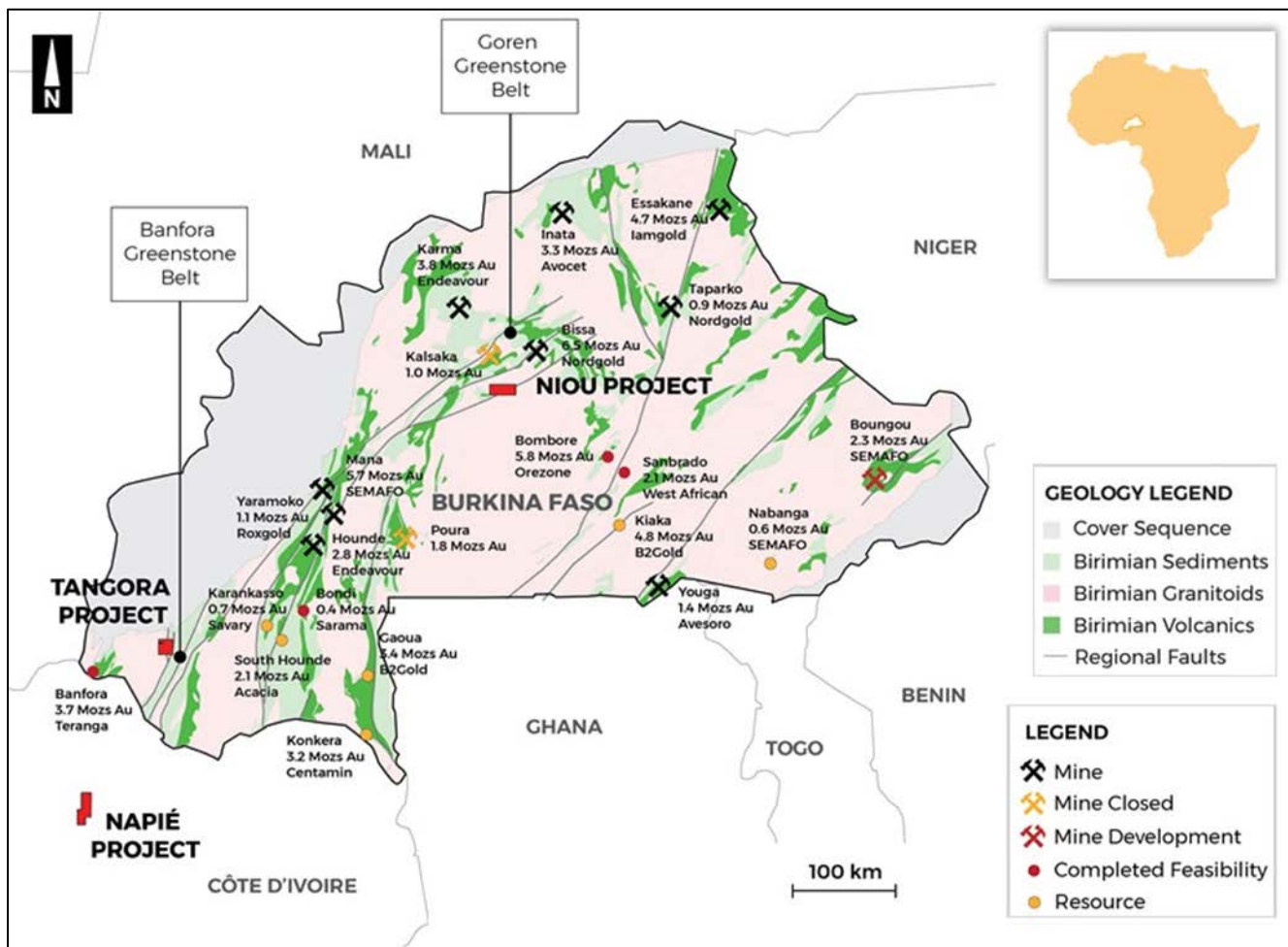


Figure 1: Tangora Project location - Burkina Faso

The 1,000m reverse circulation (RC) drilling program has been designed to test the two largest artisanal gold mining sites on the Tangora permit to approximately 90m vertical depth. 10 RC drill holes will be positioned in the areas of concentrated artisanal mining shafts within the broader artisanal mining zones (Figure 2). Previous rock chip samples from these sites have returned values of up to 14g/t Au¹.

The holes will be positioned along 5 lines and drilled in a scissor configuration thereby testing all potential gold-bearing quartz vein orientations below the artisanal mining sites (Figure 3 and Figure 4). With multiple quartz vein trends observed from geological mapping and artisanal spoil piles obscuring much of the outcrop, Mako’s geologists have not been able to confidently ascertain the quartz vein orientations hosting the gold mineralisation. Any future drilling, contingent on results from the current program, would include diamond drilling (DD) to obtain further structural information on the controls to the gold mineralisation.

¹ Refer to Section 4.8 and Annexure A Section 7.8 of Mako’s prospectus lodged on the ASX on 13 April 2018 for details on the previous exploration completed on the Tangora Project

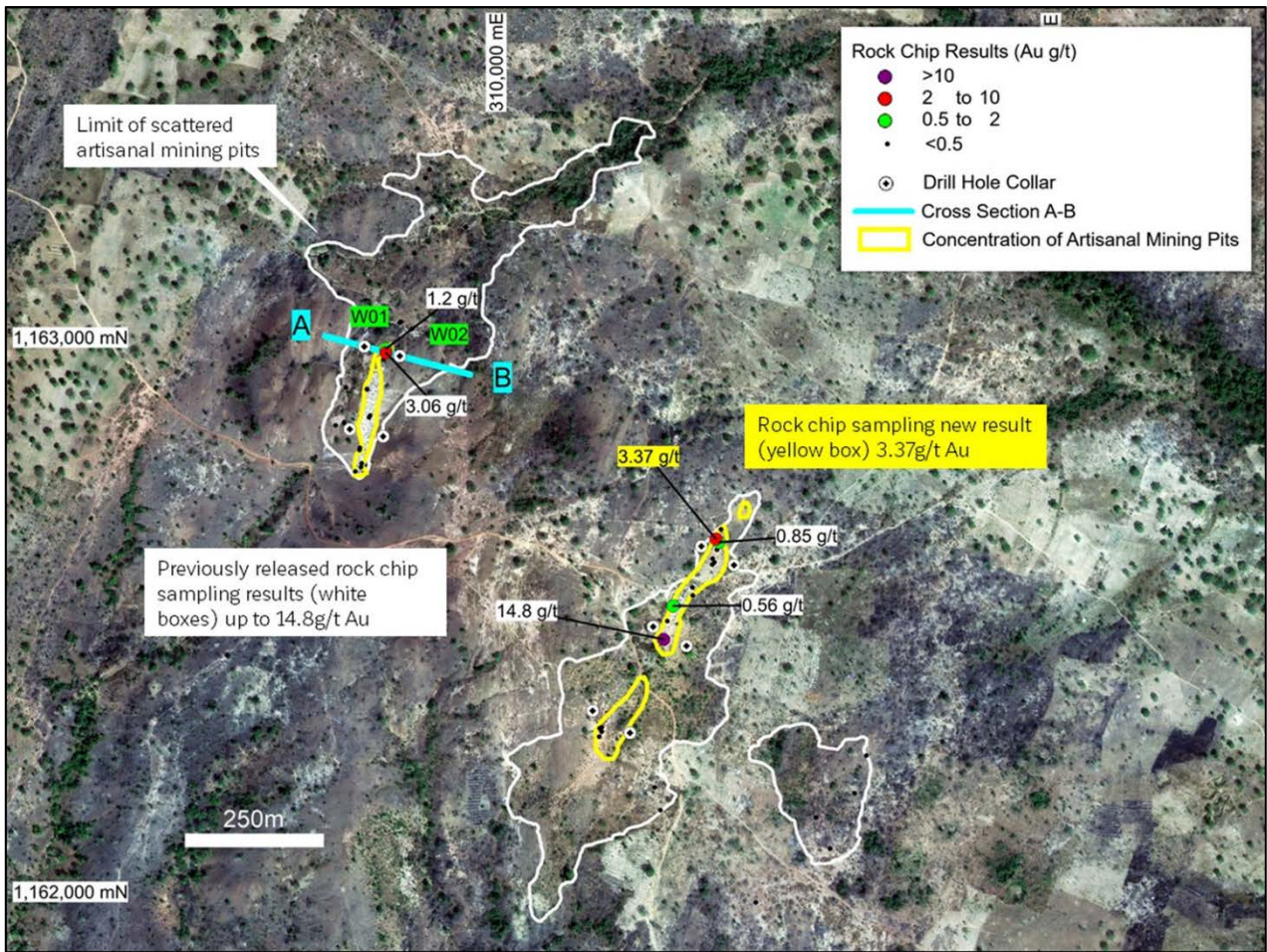


Figure 2: Planned drill hole locations within concentrated artisanal gold mining sites (yellow outlines)

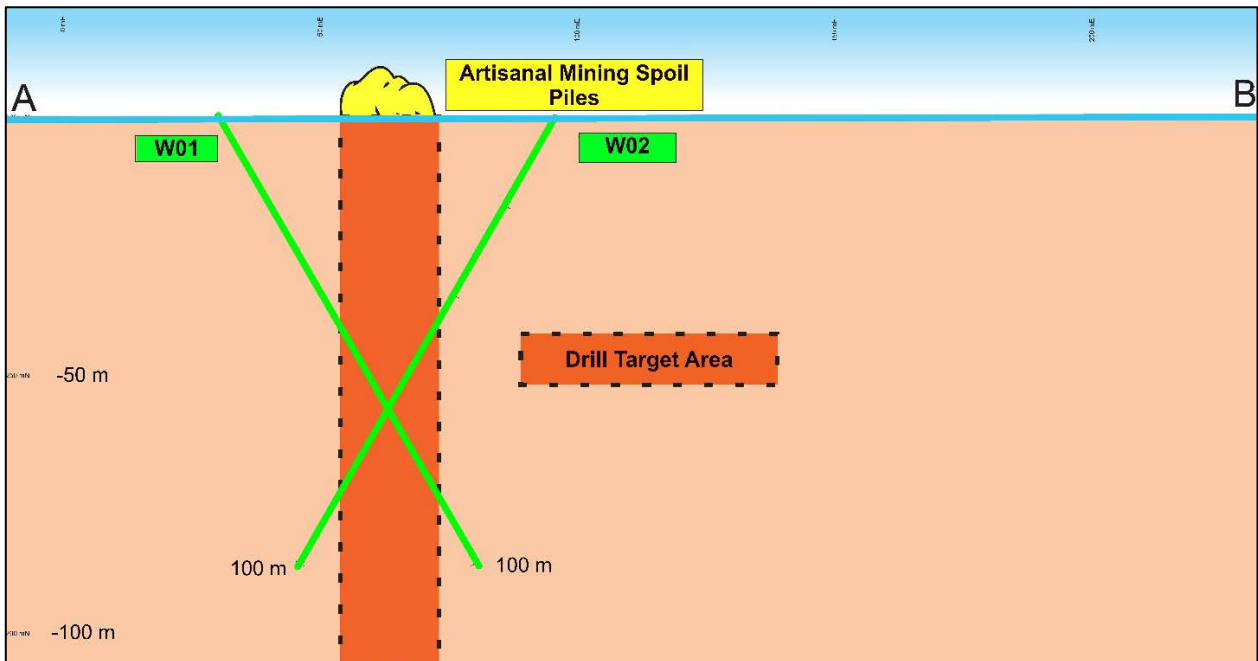


Figure 3: Cross section of planned holes W01 and W02 – model for all planned drilling



Figure 4: Large spoil piles on eastern artisanal gold mining site at Tangora

Mako's Managing Director, Peter Ledwidge commented:

"We are pleased to be commencing another drilling program within less than two months of listing on the ASX. This is a testament to the hard work of our experienced exploration team. We remain optimistic that the results from the Tangora drilling program and our other drilling program in progress on the Napié Project in Côte d'Ivoire will deliver positive news flow to our shareholders. We expect to release preliminary results of the Napié drilling within a week".

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Competent Person's Statement

The information in this report that relates to Exploration Results is based on information compiled by Mrs Ann Ledwidge B.Sc.(Hon.) Geol., MBA, who is a Member of The Australasian Institute of Mining and Metallurgy. Mrs Ledwidge is a full-time employee and a substantial shareholder of the Company. Mrs Ledwidge has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which she is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mrs Ledwidge consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Appendix 1 - Assessment and Reporting Criteria

Section 1 - Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	<i>Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</i>	This report relates to results for rock chip sampling in which 14 rock chip samples were collected over two artisanal mining sites located on the Tangora Permit. No drilling has been completed to date on the permit.
	<i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i>	Rock chip samples comprise multiple pieces of rock with a total sample weight of approximately 1-2kg. Select samples were collected from artisanal mining pits or from spoil piles adjacent to artisanal pits.
	<i>Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.</i>	Approximately 1 – 2kg grab samples were collected and submitted in their entirety to internationally accredited SGS Labs in Ouagadougou. The samples were analysed by 50g Fire Assay, with AAS finish for gold analysis with a 0.01ppm lower detection limit.
Drilling techniques	<i>Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</i>	Not applicable to the information announced in this report which relates to a rock chip sampling program.
Drill sample recovery	<i>Method of recording and assessing core and chip sample recoveries and results assessed.</i>	Not applicable to the information announced in this report which relates to a rock chip sampling program.
	<i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i>	Not applicable to the information announced in this report which relates to a rock chip sampling program.
	<i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i>	Not applicable to the information announced in this report which relates to a rock chip sampling program.
Logging	<i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i>	The UTM location, sample type, and key geological observations are recorded into an approved data collection sheet for each rock chip sample collected, following standard Mako Gold procedures for rock chip sampling.
	<i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i>	Logging of rock chip samples is qualitative and based on field observations.
	<i>The total length and percentage of the relevant intersections logged.</i>	Not applicable to the information announced in this report which relates to a rock chip sampling program.
Sub-sampling techniques and sample preparation	<i>If core, whether cut or sawn and whether quarter, half or all core taken.</i>	Not applicable to the information announced in this report which relates to a rock chip sampling program.
	<i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i>	Not applicable to the information announced in this report which relates to a rock chip sampling program.
	<i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i>	Sample preparation was conducted at SGS Labs in Ouagadougou following industry standard practice. All samples were oven dried, jaw crushed to 75% passing 2mm, then a 1.5kg riffle split was pulverized to 85% passing 75 microns. A 200g sub-sample was then collected from the pulverized material.
	<i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i>	Standard QAQC procedures were followed by SGS Labs. Replicates and duplicates were inserted as per lab practise.
	<i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</i>	To ensure samples are representative of what is at the site, multiple pieces of rock chips are collected at a site and placed in a plastic bag for a total weight between approximately 1 to 2kg.
	<i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i>	Approximately 1 to 2kg of material was collected which is within industry norms for rock chip sample size.
	<i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i>	A 50g sample was analysed by Fire Assay with Atomic Absorption Finish. Fire Assay method provides total gold content of the sample. SGS inserted standard reference samples.

Criteria	JORC Code explanation	Commentary
Quality of assay data and laboratory tests	<i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i>	Not applicable.
	<i>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</i>	Standard QAQC procedures were followed by SGS Labs. 1 Reagent Blank in 84 1 Preparation Blank (prep process blank) in 84 2 Weighed replicate (pulp) in 84 2 Preparation Duplicate (re split – coarse reject) in 84 4 SRM's in 84
Verification of sampling and assaying	<i>The verification of significant intersections by either independent or alternative company personnel.</i>	Sample results uploaded to the database were cross-checked with the lab assay certificates. No resampling was conducted.
	<i>The use of twinned holes.</i>	Not applicable.
	<i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. Discuss any adjustment to assay data.</i>	Sample logging was done on paper and entered into excel files.
		Assay data provided in excel format from the lab was merged with sample logging data.
Location of data points	<i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i>	A handheld GPS was used to record sample locations using UTM (WGS84, zone 30N) coordinate system.
	<i>Specification of the grid system used.</i>	The grid system used is WGS84. A northern hemisphere zone is applied that is applicable to the location of the project area.
	<i>Quality and adequacy of topographic control.</i>	A detailed topographic survey of the project area has not been conducted.
Data spacing and distribution	<i>Data spacing for reporting of Exploration Results.</i>	Rock chip samples were collected from artisanal pits and their surrounding spoil piles where ever possible throughout the artisanal mine area.
	<i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i>	Not applicable as no estimation is being undertaken.
	<i>Whether sample compositing has been applied.</i>	Samples were taken from discrete areas at the UTM coordinate location noted and were not composited with other samples collected.
Orientation of data in relation to geological structure	<i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i>	There was no orientation to the sampling.
	<i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i>	Not applicable.
Sample security	<i>The measures taken to ensure sample security.</i>	Rock chip samples were delivered to the SGS laboratory in Ouagadougou by Mako Gold personnel. An in-house chain of custody procedure is followed by Mako Gold for all samples.
Audits or reviews	<i>The results of any audits or reviews of sampling techniques and data.</i>	No audit or review was conducted.

Section 2 - Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<i>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</i>	The Tangora Permit was granted to Mr. Daouda Ouedraogo by decree N°2012/00012/MCE/SG/DGCMC and was renewed by decree N°2016/046/MEMC/SG/DGCM and is valid from 22 March 2015 to 22 March 2018. An application for renewal of the Tangora Permit was lodged with the Mines Ministry three months prior to the permit's expiry date. Mako Gold SARL, a 100%-owned Burkina Faso subsidiary of Mako Gold Limited, signed an option agreement dated 30 July 2016 with the permit owner giving Mako an option to acquire 100% interest in the Tangora Permit. A 1% profit-based royalty is retained by the current permit owner.
	<i>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</i>	The tenement is in good standing and no known impediments exist.

Criteria	JORC Code explanation	Commentary
Exploration done by other parties	<i>Acknowledgment and appraisal of exploration by other parties.</i>	Limited historical exploration has been conducted by Precision Resources SARL a local Burkina Faso company. Refer to Section 4.8c and Annexure A Section 7.8.1 of the Mako Gold Prospectus lodged on the ASX on 13 April 2018 for a description of previous exploration completed on the permit.
Geology	<i>Deposit type, geological setting and style of mineralisation.</i>	The Tangora Permit straddles the western margin of the Proterozoic-aged Banfora greenstone belt. Exploration is at an early stage. The style of mineralisation sought is structurally controlled orogenic gold, within an interpreted broad shear zone related to a regional-scale fault and secondary splays. Gold artisanal mining sites are aligned within the margin of the greenstone belt near the greenstone-granite contact.
Drill hole Information	<i>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:</i> <ul style="list-style-type: none"> o <i>easting and northing of the drill hole collar</i> o <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i> o <i>dip and azimuth of the hole</i> o <i>down hole length and interception depth</i> o <i>hole length.</i> 	Not applicable. No drilling has been undertaken.
Data aggregation methods	<i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.</i>	Not applicable.
	<i>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</i>	Not applicable. No aggregate intercepts have been reported.
	<i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i>	Not applicable.
Relationship between mineralisation widths and intercept lengths	<i>These relationships are particularly important in the reporting of Exploration Results. If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg ‘down hole length, true width not known’).</i>	Not applicable. No drilling has been undertaken.
Diagrams	<i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i>	Refer to Figures contained within this report.
Balanced reporting	<i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i>	All results are reported.
Other substantive exploration data	<i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i>	Mako Gold collected 66 rock chip samples to date. Refer to Section 4.8 and Annexure A Section 4.8 of Mako Gold’s Prospectus lodged on the ASX on 13 April 2018 for details on previous exploration results.
Further work	<i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling). Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i>	Refer to description contained within this report.